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OLC 72-0306

8 Mar 1972

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Bill Woodruff, Counsel, Senate Appropriations Committee, Regarding the Funding of Irregular Forces in Laos

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1. I met with Bill Woodruff today and brought him up-to-date on our conversations with Ed Braswell and other members of the Senate Armed Services Committee staff on the question of the funding of [redacted] irregulars in Laos. I also mentioned what I understood to be the thrust of the testimony of Nutter, Seignious, Brazier, and Sullivan before the Armed Services Committee yesterday. Woodruff immediately commented that the problem which DOD would have in making direct payments to these irregulars stemmed from Government Accounting Office requirements covering payments to foreign individuals as opposed to foreign governments. He added these requirements are based on statute (he believed the Budget and Accounting Act of 1921).

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2. Woodruff said that in view of these requirements neither DOD nor State Department representatives would be able to make payments directly [redacted] unless they were specifically authorized by a statutory provision authorizing these payments "without further accounting."

3. Woodruff doubts that the Armed Services Committee would put such a provision in the law since it would create as much of a problem for Senator Stennis on the Senate floor as would an explanation of the transfer of funds from DOD to CIA for payment. Woodruff acknowledged that the Department of Defense does have some special accounts under which disbursements can be made without further accounting, but he said DOD would not want the money for the irregulars in these accounts and the Senate Appropriations Committee would not permit it. In this connection he cited several uses of these accounts by former Secretary of Defense McNamara which Senator Russell had considered highly improper.

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4. Mr. Woodruff went on to say that he was quite certain Chairman Ellender would not support the transfer of the Lao irregular money to CIA either and said that Braswell would be well advised to discuss plans concerning these funds with the Appropriations Committee since this is "Appropriations' business."

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Deputy Legislative Counsel

Distribution:
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